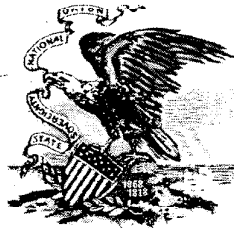


STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF THE
REVOCATION OF LICENSING
AUTHORITY OF:

NATIONS HAZARD INSURANCE AGENCY
129 CANTERFIELD PARKWAY, WEST
WEST DUNDEE, IL 60118

And

MICHAEL F. NAPADOW
129 CANTERFIELD PARKWAY, WEST
WEST DUNDEE, IL 60118

ORDER OF REVOCATION

I, Deirdre K. Manna, Acting Director of Insurance of the State of Illinois, do hereby revoke the license of Michael F. Napadow (Licensee) and registration of Nations Hazard Insurance Agency (Business Entity) to take effect 30 days from the date of mailing this Order pursuant to Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70).

Based upon an investigation and review of the Licensee and Business Entity by the Producer Section of the Illinois Department of Insurance, the Department alleges that:

- A. On July 22, 2003, the State of Washington, Office of the Insurance Commissioner, issued an Order to Cease and Desist to the Licensee and Nations Hazard Insurance Company. The Order to Cease and Desist was based on the following:

1. Violation of RCW 48.05.030, Certificate of authority required; RCW 48.15.020, Solicitation by unauthorized insurer prohibited; and RCW 48.17.060, License required.
2. Violation of RCW 48.30.040, False information and advertising

By the above actions, the Licensee and Nations Hazard Insurance Company violated insurance laws of another state's insurance commissioner and used fraudulent and dishonest practices and demonstrated incompetence and untrustworthiness, which are grounds for revocation pursuant to Section 500-70(a)(2) and (8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2) and (8)).

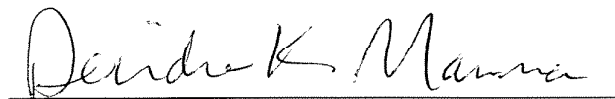
- B. On August 6, 2003, the Illinois Department of Insurance issued an Order To Cease and Desist to the Licensee, Business Entity, Nations Hazard Insurance Company and/or subsidiary or affiliated companies. On December 10, 2003, the Director upheld the Order to Cease and Desist. The Licensee and Business Entity continued to solicit and sell insurance without a certificate of authority in violation of Section 121 of the Illinois Insurance Code (215 ILCS 5/121). By these actions, the Licensee and Business Entity have violated Illinois insurance laws, an Order of the Director, used fraudulent and dishonest practices, and demonstrated incompetence and untrustworthiness in the conduct of business, which are grounds for revocation pursuant to Section 500-70(a)(2) and (8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2) and (8)).
- C. The Licensee alleged to have contracts to sell insurance through Lloyds of London, Liberty Mutual Insurance Company and The Hartford. The Department's investigation revealed no association between the alleged Companies and the Licensee, Business Entity, Nations Hazard Insurance Company and/or subsidiary or affiliated companies. Therefore, the Licensee and Business Entity have intentionally misrepresented the terms of actual and proposed insurance contracts and applications, which is a ground for revocation pursuant to Section 500-70(a)(5) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(5)). By the above actions, the Licensee and Business Entity used fraudulent and dishonest practices and demonstrated incompetence and untrustworthiness, which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- D. The Department Examiner attempted to obtain names of insurance companies the Licensee and Business Entity quoted rates through and to obtain copies of said agency/company agreements. The Department Examiner submitted three (3) certified and three (3) first class letters to the Licensee and Business Entity requesting copies of agency/company agreements. The Licensee and Business Entity failed to respond. Therefore, the Licensee and Business Entity have failed to facilitate and aid the Director in an investigation, which is a violation of Section 500-110(b) of the Illinois Insurance Code (215 ILCS 5/500-110(b)). By these actions, the Licensee and Business Entity have violated an insurance law of the State of Illinois and have demonstrated incompetence and untrustworthiness, which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

This Order of Revocation shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director. Any correspondence concerning this Order of Revocation shall be addressed to the Department of Insurance, Producer Section, 320 West Washington Street, Springfield, Illinois 62767-0001.

50 Ill. Adm. Code 2402 governs hearings before the Department of Insurance. Section 408(5)(a) of the Illinois Insurance Code (215 ILCS 5/408) and 50 Ill. Adm. Code 2402.270(d) provide that the costs of a hearing may be assessed against the parties.

IN WITNESS WHEREOF, I have hereunto
subscribed my name and affixed the Official
Seal of the Department of Insurance in the
City of ~~Springfield~~, State of Illinois, this
20th day of February, A.D., 2004.


Deirdre K. Manna, Acting Director

DKM:lc